

DCI/IC 78-1189  
29 September 1978

MEMORANDUM FOR THE RECORD

FROM: [REDACTED]  
Director, Community and Legislative Liaison Office

[REDACTED]  
Policy Guidance Office

SUBJECT: Session with Tom Latimer, HPSCI, on DCI Annual Report  
(28 September) [REDACTED]

1. [REDACTED] We told Latimer that the guidance on the Annual Report in Chairman Boland's 15 September 1978 letter to the DCI had been very helpful and that an interim reply to Boland plus a draft concept of this year's Annual Report were on their way to the DCI for his consideration. Meanwhile we wanted to try the concept/outline out on Latimer and his HPSCI colleagues for their reactions (understanding that we did not yet know what the DCI's own reaction might be). [REDACTED] sat in on part of the session.

2. [REDACTED] With respect to the six special subjects in Boland's 15 September letter on which the HPSCI is requesting coverage, Latimer had no problem with our proposing to treat them either entirely within the body of the report or highlighted therein and treated fully in responses appended to the HPSCI's copy of the Annual Report, depending on length, complexity, etc. He questioned our reasoning that #4, on agreements between US intelligence components and foreign governments, was not really Annual Report subject matter, but it developed that his real concern was whether the CIA component of the intelligence community would finally agree to answer its part of that question, not whether the DCI answers in an attachment to the Annual Report or separately.

3. [REDACTED] Discussion revealed that #6, all unauthorized disclosures of classified information, is meant to include media leaks, and is wanted as ammunition to try to get the Congress to help assist in preventing security leak problems, not just for information/oversight purposes.

4. [REDACTED] With respect to the draft outline for this year's Annual Report, the specific concerns and comments Latimer voiced were:

-- [REDACTED] That the HPSCI feels that the requirements problem underlies all of the issues nominated for Part II; the Committee continues to be frustrated at the lack of a real way to correlate authoritative

requirement priorities (the object of the intelligence exercise, what's most needed and why) with proposed resource allocation (ZBB decision units). (Comment: he's right, of course, and while this year's Annual Report won't be able to chart a program under way to design that correlation effectively, we can have the problem firmly in mind in the way we address the Issues in Part II and various headings in Part I, such as the PRC(I) evolution and concerns.)

25X1 -- [ ] The DCI's relationship with Defense is fundamentally important  
25X1 to the 1978 state of intelligence report, and is not mentioned in the outline. Tom used the [ ] DCI resources are in DoD" argument to underscore this point. When we noted that some of that would fall out of the Part I section on the year's experience with implementing the DCI's budget authority, he replied that the problem has much more general dimensions than budget. (Comment: true of course; Latimer then volunteered that the DCI might not feel comfortable talking about that relationship per se in the Annual Report, but conveyed the HPSCI's serious interest in the DCI's perception of how that relationship generally is progressing. It may be possible to address this indirectly in various places in the Annual Report and so be responsive to the HPSCI's concern without driving new cleavage lines in the Executive; anyway, we'll have that issue subliminally in mind and try to convey a tactful yet forthcoming impression.) An alternative that was mentioned was to include a subtopic: "Role of the DCI," that could address dealings with DoD.

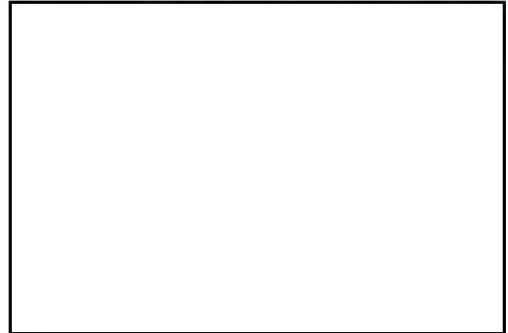
25X1 -- [ ] Have we given any thought to an Unclassified version this year of the Annual Report? We said yes, and while we hadn't decided, we were concerned whether it would be possible to say enough meaningful to be worthwhile. Latimer thought it would and ticked off a number of Part I topics that he thought could be treated wholly or partly in an Unclassified version. (Comment: Boland's letter leaves the matter of an Unclassified version to the DCI's judgment. We have recommended against such to the DCI. One would no doubt be useful to the Congress, but if it has to be done someone is going to have to write a rather different and separate report using the Classified one simply as a starting point.)

25X1 -- [ ] Latimer tipped us off to an emerging issue of concern to the  
25X1 Committee having to do with "sensitive collection" activities referred to in [ ] explaining that the HPSCI initially thought that meant covert action, (comment: why they confused covert action with collection was unclear,) but now realized the intelligence community has collection activities under way which are much more sensitive than current covert action programs. The HPSCI will be doing some looking into this in the coming year, and might well request coverage on same in next year's Annual Report.

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5. ☐ We left a working copy of the draft outline with Latimer for any additional comments he or the staff might have and left with the impression that Latimer found our draft approach in the right ball park.



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